

HELM

FINANCIAL CORPORATION

July 27, 2001

One Embarcadero Center • San Francisco, CA 94111
415/398-4510 FAX 415/398-4816

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Partial Termination of Security Agreement dated as of April 20, 2001 ("Partial Termination"), by Fleet National Bank ("Fleet"), as the Agent for the Lenders, as defined in the Credit Agreement, for the benefit of Helm Holding Corporation, Helm Financial Corporation and Helm Locomotive Leasing Corporation (collectively, "Helm")

Dear Mr. Williams:

On behalf of Helm Financial Corporation, I submit for filing and recording, under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder the following document:

Four (4) fully-executed originals of the above-referenced Partial Termination.

In connection with the recording of the Lease Termination, please note the following information:

Name and Address of Helm: Helm Financial Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

Name and Address of Fleet: Fleet National Bank
Transportation Division
100 Federal Street
Boston, MA 02110

Equipment: 12 open top hopper railcars
SKOL 12123-12170 (NI)
5 flatcars
UP 52111-52175 (NI)
2 locomotives
GWWR 1510
HLLX 1500

RECORDATION NO. **23168-X**
AUG 3 '01 12-04 PM
TS
SURFACE TRANSPORTATION BOARD

Please record this Partial Termination as a supplemental agreement to STB Recordation No. 23168 filed on October 18, 2000 at 2:43 PM. The filing fee of \$28,00 is included in our enclosed Check No. 45882 in the amount of \$56.00.

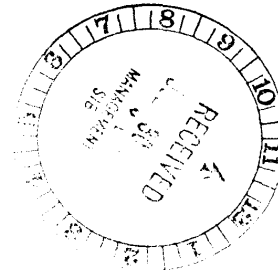
Summary: Partial Termination of Security Agreement dated as of April 20, 2001, by Fleet National Bank, a national banking association ("Fleet") as the Agent for the Lenders, as defined in the Credit Agreement, for the benefit of Helm Holding Corporation, a California corporation, Helm Financial Corporation, a California corporation and Helm Locomotive Leasing Corporation, a California corporation (collectively, "Helm"), for 12 open top hopper railcars, SKOL 12123-12170 (NI); 5 flatcars, UP 52111, 52121, 52164, 52172 and 52175; and 2 locomotives, GWWR 1510 and HLLX 1500, to be filed as a supplemental agreement to STB Recordation No. 23168.

Yours truly,

Sharon L. Van Fossan
Sharon L. Van Fossan
Supervisor Contract Administration

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Enclosures (4)

fleet termination\mei&arc&txn.stb



**PARTIAL TERMINATION OF
SECURITY AGREEMENT**

THIS PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination") is dated as of April 20, 2001, by **FLEET NATIONAL BANK**, a national banking association ("**Fleet**") as the Agent for the Lenders (as defined in the Credit Agreement described below), for the benefit of **HELM HOLDING CORPORATION**, a California corporation, **HELM FINANCIAL CORPORATION**, a California corporation and **HELM LOCOMOTIVE LEASING CORPORATION**, a California corporation (collectively, "**Helm**").

1. **Recitals.** Helm owns the rail equipment bearing the Association of American Railroad reporting mark and numbers as described in Exhibit A attached hereto (the "**Unit(s)**"). Helm has granted a blanket security interest in all of its assets now owned or hereafter acquired (the "**Collateral**"), to Fleet upon the terms and conditions provided in that certain Security Agreement dated as of October 18, 2000, between Helm and Fleet (the "**Security Agreement**") as filed with the Surface Transportation Board of the Department of Transportation ("**STB**") on October 18, 2000 at 2:43 P.M. under Recordation No. 23168. The Security Agreement was executed in connection with that certain Revolving Credit and Term Loan Agreement dated as of October 18, 2000, among the Borrowers, Lenders and Agent as defined therein (the "**Credit Agreement**").

Helm intends to sell the Unit(s) to a third party and desires that such sale shall be free and clear of any lien or security interest of Fleet. Helm requests Fleet's consent to such sale of the Unit(s) and requests Fleet to terminate its lien and security interest in the Unit(s).

2. **Consent & Partial Termination.** Fleet hereby consents to the sale of the Unit(s) by Helm. Fleet hereby forever terminates any and all liens and security interests in the Unit(s) granted to it under the Security Agreement. Such liens and security interests in the Unit(s) shall be forever terminated upon the filing of this Partial Termination with the STB, at which time all of Fleet's right, title and interest in and to the Unit(s) shall be null and void.

This Partial Termination shall have no effect on Fleet's lien and security interest in any other Collateral other than the Unit(s) and said lien and security interest in such other Collateral is hereby reaffirmed.

IN WITNESS WHEREOF, pursuant to due authority, Fleet has executed this Partial Termination of Security Agreement as of the date first above written.

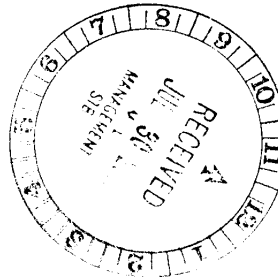
FLEET NATIONAL BANK, as Agent

By: _____

Print Name: _____

Its: _____

ROBERT S. ALLEN
GROUP MANAGER



RECORDATION NO. 23168-X FILED

terminat\fleet\MEI&ARC&TXN

cm: 04/20/01

AUG 3 '01 12-1 4 PM

SURFACE TRANSPORTATION BOARD

CMM

STATE OF MASSACHUSETTS

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) S.S.

COUNTY OF SUFFOLK

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On 5/4/01, 2001, before me, Caryn SuFFredini,
personally appeared Robert S. Allen, Group Manager of
FLEET NATIONAL BANK

X personally known to me -OR-

— proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.


SIGNATURE OF THE NOTARY
Commission expires 11/27/01

[Notarial Seal]

EXHIBIT A

to the
Partial Termination of Security Agreement
dated as of April 20, 2001

THE UNIT(S)

Equipment Description: Twelve (12), 70-ton open top hopper railcars.

Mark and Number:

1. SKOL 12123
2. SKOL 12125
3. SKOL 12132
4. SKOL 12134
5. SKOL 12136
6. SKOL 12142
7. SKOL 12143
8. SKOL 12146
9. SKOL 12149
10. SKOL 12150
11. SKOL 12167
12. SKOL 12170

Equipment Description: Five (5), 100-ton (263K), 68-foot chain flat cars with new decking, chains and winches. Built by Union Pacific Omaha Shops in Seattle, WA, 1977.

Marks and Numbers:

1. UP 52111
2. UP 52121
3. UP 52164
4. UP 52172
5. UP 52175

Equipment Description: Two (2) Switch Locomotives

Marks and Numbers:

1. GWR 1510 (MP15AC)
2. HLLX 1500 (SW1500)

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